

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY REYKJAVIK IMMEDIATE

INFO USMISSION NATO

COMICEDEFOR

SECDEF

CINCLANT

C O N F I D E N T I A L STATE 201414

EXDIS

E.O.11652: XXGD-1

SUBJECT: IDF RETENTION NEGOTIATIONS: DRAFT NOTE AND MOU

MILITARY ADDRESSES HANDLE AS SPECAT EXCLUSIVE

1. THE FOLLOWING REVISED TEXTS OF A DRAFT NOTE AND MEMORANDUM OF UNDERSTANDING SHOULD BE TRANSMITTED TO THE GOI.

2. DRAFT EXCHANGE OF NOTES: BEGIN TEXT: EXCELLENCY: I HAVE THE HONOR TO REFER TO THE DISCUSSIONS RECENTLY CONCLUDED BETWEEN REPRESENTATIVES OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ICELAND PURSUANT TO ARTICLE VII OF THE DEFENSE AGREEMENT BETWEEN OUR TWO COUNTRIES SIGNED AT REYKJAVIK, MAY 5, 1951.

MY GOVERNMENT RECOGNIZES THE TRADITIONAL PRINCIPLES EXPRESSED BY THE GOVERNMENT OF ICELAND AT THE TIME OF SIGNATURE OF THE NORTH ATLANTIC TREATY, RELATING TO THE  
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STATIONING OF FORCES IN ICELAND, AND AGREES WITH YOUR

GOVERNMENT THAT THE PRESENT SITUATION IN WORLD AFFAIRS AND THE CONTINUING THREAT TO THE SECURITY OF ICELAND AND OF THE NORTH ATLANTIC COMMUNITY CALL FOR THE CONTINUATION OF THE FACILITIES AND THEIR UTILIZATION BY THE ICELAND DEFENSE FORCE UNDER THE AGREEMENT ON MUTUALLY ACCEPTABLE TERMS.

ACCORDINGLY, OUR TWO GOVERNMENTS HAVE REACHED AN UNDERSTANDING CONCERNING THE CONTINUATION OF THE DEFENSE AGREEMENT, AND HAVE CONCLUDED THEIR REVIEW OF THE DEFENSE AGREEMENT UNDER ARTICLE VII.

I HAVE THE HONOR TO PROPOSE THAT THIS NOTE AND YOUR EXCELLENCY'S REPLY IN SIMILAR TERMS SHALL BE REGARDED AS CONSTITUTING AN AGREEMENT BETWEEN OUR TWO GOVERNMENTS TO THE ABOVE EFFECT.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCES OF MY HIGHEST CONSIDERATION. END TEXT.

3. DRAFT MEMORANDUM OF UNDERSTANDING: BEGIN TEXT:  
REGARDING THE CONTINUATION OF THE FACILITIES AND THEIR UTILIZATION BY THE ICELAND DEFENSE FORCE IN ACCORDANCE WITH THE DEFENSE AGREEMENT OF MAY 5, 1951, THE GOVERNMENTS OF THE UNITED STATES AND ICELAND HAVE REACHED THE FOLLOWING UNDERSTANDINGS:

(1) (A) THE UNITED STATES WILL SEEK TO REDUCE ITS MILITARY PERSONNEL IN THE ICELAND DEFENSE FORCE AS AGREED UPON BETWEEN THE TWO GOVERNMENTS.

(B) DURING PEAK PERIODS OF SURVEILLANCE ACTIVITY, THE UNITED STATES MAY TEMPORARILY AUGMENT THE ICELAND DEFENSE FORCE.

(C) AFTER NOTIFICATION TO THE GOVERNMENT OF ICELAND, THE UNITED STATES MAY CONDUCT PERIODIC REINFORCEMENT EXERCISES FOR THE DEFENSE OF ICELAND AND NATO.

(2) THE TWO GOVERNMENTS AGREE THAT WITHIN A REASONABLE TIME ICELANDIC PERSONNEL WITH SUITABLE QUALIFICATIONS AND TRAINING WILL REPLACE UNITED STATES PERSONNEL IN CERTAIN POSITIONS WITH THE ICELAND DEFENSE FORCE. HOWEVER, THE UNITED STATES MAY CHANGE THE SIZE AND COMPOSITION OF THE ICELAND DEFENSE FORCE AS A RESULT OF BUDGET CONSTRAINTS OR, FOLLOWING CONSULTATION WITH THE GOVERNMENT OF ICELAND, IN CONFIDENTIAL

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THE EVENT OF REVISED ASSESSMENTS OF DEFENSE REQUIREMENTS.

(3) SUBJECT TO THE AVAILABILITY OF APPROPRIATED FUNDS, NECESSARY MATERIALS AND ICELANDIC LABOR, THE UNITED STATES WILL SEEK TO CONSTRUCT FAMILY HOUSING UNITS ON THE AGREED AREAS SUFFICIENT TO ACCOMMODATE ELIGIBLE UNITED STATES MILITARY PERSONNEL STATIONED IN ICELAND. PENDING THE COMPLETION OF THIS HOUSING, THE MILITARY AUTHORITIES OF THE UNITED STATES MAY ACT AS AGENT FOR PERSONNEL RESIDING OFF

THE AGREED AREAS IN ORDER TO ASSURE ADEQUACY OF HOUSING,  
FAIR RENTAL RATES AND APPROPRIATE LEASING PROVISIONS.

(4) SUBJECT TO THE AVAILABILITY OF APPROPRIATED FUNDS, THE  
UNITED STATES WILL SEEK TO TAKE SUCH MUTUALLY AGREED-UPON  
MEASURES AS WILL EFFECTIVELY SEPARATE THE CIVILIAN AIR  
TERMINAL FROM BASE FACILITIES IN THE KEFLAVIK AGREED AREA.  
UPON THE SEPARATION OF THE CIVILIAN AIR TERMINAL AND THE  
BASE FACILITIES, THE ACTIONS OF THE TWO GOVERNMENTS CON-  
CERNING POLICE JURISDICTION AND POLICE FUNCTIONS SHALL BE  
GOVERNED BY PROCEDURES TO BE AGREED WHICH SHALL REFLECT THE  
ALTERED CIRCUMSTANCES IN THE AGREED AREAS.

(5) THE TWO GOVERNMENTS AGREE TO REVIEW CONTINUALLY THE  
ADMINISTRATIVE ARRANGEMENTS GOVERNING THE PERSONNEL OF  
THE ICELANDIC DEFENSE FORCE IN ORDER TO ACCORD THEM THE  
RIGHTS AND PRIVILEGES NORMALLY ACCORDED TO US MILITARY  
PERSONNEL.

(6) THIS MEMORANDUM OF UNDERSTANDING WILL ENTER INTO FORCE  
ON THE DAY ON WHICH IT IS SIGNED. SIGNED AT (BLANK) BY  
THE ACCREDITED REPRESENTATIVES OF THE PARTIES ON (BLANK)  
197(BLANK). END TEXT. KISSINGER

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